

**Mount Vernon City Council
Finance Committee
Minutes
April 27, 2016**

Present: Councilmembers Fiedler, Hulst, Hudson, Lindquist, Molenaar, Ragan,

Staff present: Finance Director Huschka, Public Works Director Bell, Parks Operations Manager Wepler, Human Resources Assistant Robbins, Human Resources Director Bartlett

1. Minutes were approved.
2. Financial Update December 31, 2015 Year End Review:
 - Alicia presented the comparisons of actual fund balances at 12/31/15 to budgeted estimates for the operating funds. There was a net increase in revenues of \$145,000. This is made up of property tax, sales tax revenue, licenses, permits and utility tax. There was a net decrease in expenditures of \$163,000. This creates a net increase to Fund Balance in Government Operating Funds of \$308,000 above the 12/31/15 estimate at the time of adoption of the 2016 budget. Since the 2016 budget uses a portion of fund balance as a revenue source in the 2016 budget, these actual increases to the 12/31/15 fund balance has a positive impact on the estimated ending fund balances for 2016.
3. Sales tax – the January through April 2016 collections are up 7.8% over the same period in 2015 excluding the sales tax generated from the jail construction project. There has been a change in the Department of Revenue's sales tax monthly data download, which requires some modifications to our database before we can analyze the State DOR data. Our system is being modified to properly report the new data from DOR; any specific and/or notable points of interest on the monthly collections will be reported on at a future committee meeting.
4. Transportation Benefit District Update:
 - Across the State, there have been 28 transportation benefit district sales tax ballot measures held, of which four sales tax measures that failed. The average support of all passed measures was 66.7%. After discussion with the Committee it was requested that a draft ordinance be presented and reviewed at the Public Works Committee in two weeks.
5. Biennial Budgets: Alicia gave a brief update on biennial budgets for municipalities and the specific events that need to occur and the associated timelines, as prescribed by RCW's. The Committee did not show an interest in moving towards a biennial budget for the City.
6. Investment Update: Alicia gave the Committee an update on City Investments, including details of the investment portfolio, cash balances, LGIP and the ratios between these various funds. The City's weighted yield on investments was reviewed and compared with the LGIP gross earnings rate. Maturities were reviewed: 49% of the City's investments and cash balances have a liquid maturity of less than one year, with the rest laddered over the next four years.
7. Other:
 - Alicia reported that the annual voter registration bill from the County Auditor was higher than expected. The bill was \$54,579 while the budget is \$49,000; compared to the previous year's bill of \$48,736.
 - Alicia will be bringing forward a resolution for City Council to reduce the Police Department's priority policing/special investigations fund from \$13,000 to \$6,000 at the request of the Police Chief.

8. Human Resources Update: Kandy presented an update on recent activity. Several positions have been filled over the past few months. These are over several departments. There were 2 personnel investigations or personnel issues, as well as performance evaluations. Teamster negotiations were finalized. There are upcoming negotiations with Firefighters & BC Contract, Police Contracts and Teamster Contracts. Upcoming – city wide coordination of volunteer program under one staff person. Kandy is now the WCIA representative, replacing Eric.

Adjourned at 7:00 p.m.

Submitted by
Rebecca J. Wade